

LEBANON MEI
SYRIA MDI

ECONOMIC SURVEY

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near Aleppo, and at Rayaq and there are many emergency landing fields.

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Sea Ports. Since 1950 Beirut has handled over 2 million tonnage of ships a year; an increase of about a quarter of a million over the pre-war figures. The port has a free zone through which goods are shipped to Syria, Iraq, and Jordan. But the Syrian Government hopes to divert some of the transit trade from Beirut and has, with the assistance of a loan of \$6 million from Saudi Arabia, formed a company to develop Latakia in order to handle about a million tons of goods a year (in 1952 431,593 tons were handled). Work on the extension of the port was begun by a Yugoslav firm in April 1953. Tripoli, Sidon, and Baniyas are ports handling the oil from the pipelines¹ and are little used for other purposes.

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Wireless and Telephones. An automatic telephone exchange system covers most of Syria and an automatic exchange is planned for Beirut. Telephone links with Europe and America are available through Beirut and normal cable facilities exist. The Syrian state broadcasting authority has two large transmitters and broadcasts in Arabic, French, English, and Hebrew. Near Beirut there is a station which broadcasts in Arabic, French, and English.

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206*The 'Common Interests'*

Under the Mandate, Syria and Lebanon formed an economic and customs union, the Higher Council of Common Interests, under the direct control of France, which administered customs and excise and controlled concessionary companies, antiquities, and some other services. On 1 January 1944 the control was transferred to the Syrian and Lebanese Governments. The currencies were linked and interchangeable, and both the Syrian and Lebanese pounds were largely backed by French francs based on a rate of 8.83 to the pound sterling (then worth 14.03). In order to maintain a good profit on the exchange brought in by oil companies the Lebanese and Syrian pounds were not devalued in 1949 to follow sterling. Exchange was controlled by one department for both countries and the note issue is in the hands of the French Banque de Syrie et du Liban.

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But these links were incompatible with the differences that developed in the economic policies of the two countries when they became independent. Syria, in normal years, has a large exportable surplus of agricultural products and little transit trade, whereas the debtor trade balance of Lebanon is com-

¹ See Appendix IV, p. 370 below.